

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4940 HRES HB 124 - HB 138

572

HB

124

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Resources 3-4-87 8:30 a.m.

HOUSE COMMITTEE REPORT

(9)

Date referred: 2/11/87

FURTHER REFERRALS: Finance

DATE: 3/4/87

The Resources Committee has considered HB 124

"An Act relating to the oil and gas conservation tax; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

_____ (No reccom)

_____ (No rec)


Chairman's signature

Appropriation History

3/18/87

Inherited Mid stream	FY '82 Auth	2220.7	312 (26)
Prepared by Professor Fall of '81	FY '83 Auth	2514.3	324 (27)
Prepared Fall of '82	FY '84 Auth	2203.5	300 (25)
Prepared Fall '83 125,000 & 1 position by Chopt 91 SLA '84	FY '85 Auth	2231.0	312 (26)
Prepared Fall '84	FY '86 Auth	2140.9 (259.8)	312 (26)
Prepared Fall '85	FY '87 Auth	1881.1 (267.2)	300 (25)
Prepared July '86	FY '87 Revised	2140.9 1613.9 (327.2)	273 (25)
Prepared Fall '86	FY '88 Request	2140.9 1445.5	276 (25)

Page A

BUDGET REQUEST UNIT (BRU): Oil and Gas Conservation		Alaska Oil and Gas Conservation Commission																		
NAME/POSITION OF BRU MANAGER: C. V. Chatterton, Commissioner/Chairman		PHONE: (907) 279-1433																		
NAME/POSITION OF AGENCY CONTACT: Galyn Evans, Administrative Assistant		PHONE: (907) 279-1433																		
LIST STATUTORY/REGULATORY BASIS FOR SERVICES PROVIDED (I.E., ALASKA STATUTE, ALASKA ADMINISTRATIVE CODE, OR FEDERAL REGISTER):																				
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Statutory/Regulatory Citation</td> <td style="width: 10%;">:</td> <td style="width: 60%;">Component/Programs, Services</td> </tr> <tr> <td>AS 31.05/20 AAC 25.</td> <td>:</td> <td>Operations</td> </tr> <tr> <td>AS 31.05/20 AAC 25.</td> <td>:</td> <td>Data Processing</td> </tr> </table>	Statutory/Regulatory Citation	:	Component/Programs, Services	AS 31.05/20 AAC 25.	:	Operations	AS 31.05/20 AAC 25.	:	Data Processing		<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Statutory/Regulatory Citation</td> <td style="width: 10%;">:</td> <td style="width: 60%;">Component/Programs, Services</td> </tr> <tr> <td> </td> <td>:</td> <td> </td> </tr> <tr> <td> </td> <td>:</td> <td> </td> </tr> </table>	Statutory/Regulatory Citation	:	Component/Programs, Services		:			:	
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AS 31.05/20 AAC 25.	:	Data Processing																		
Statutory/Regulatory Citation	:	Component/Programs, Services																		
	:																			
	:																			
<p>DESCRIPTION OF THE BRU SERVICES AND RESPONSIBILITIES: The Alaska Oil and Gas Conservation Commission is an independent quasi-judicial agency established within the Executive Branch by the Legislature to ensure that oil and gas drilling, production, reservoir depletion and metering operations comply with the Alaska Oil and Gas Conservation Act (AS 31.05). The Act prohibits the physical waste of crude oil and natural gas, protects correlative rights, and provides for obtaining the maximum ultimate recovery of oil and gas that is prudently feasible. The Commission is empowered to cite and levy fines for violations of the Act, regulation or order of the Commission, and seek injunctive relief to prevent continuance of a violation. Severance and oil and gas regulation taxes are levied on production. Revenue accrues from royalty production on state leases. The prevention of waste enhances these income sources and serves the public good by providing increased funds to meet the public need.</p> <p>Further, the BRU provides funding for the following activities (1) acting as the Alaska jurisdictional agency to determine well categories for meeting the maximum lawful price of gas under the Natural Gas Policy Act of 1978, (2) discharging primary enforcement responsibilities for Class II injection wells under the Safe Drinking Water Act of 1974 as amended and (3) Acting as Alaska jurisdictional agency for the U.S. Dept. of Treasury in approving applications as meeting requirements for certification as a qualified tertiary recovery project.</p>																				
SIGNATURE OF BRU MANAGER: 		DATE: 9/11/86																		

B1

BRU
COVER PAGE

Department of Commerce and
Economic Development

AGENCY _____

Oil and Gas Conservation

BRU _____

FY 88

Page 1 of 1

Revised Date: _____

000248

The regulatory workload of the agency is a function of: (1) the regulatory responsibilities assigned to the commission, and (2) the level of the drilling and production activity performed by the public which the agency regulates.

A major expansion of the regulatory workload is already being experienced subsequent to the June 19, 1986 award by the U.S. Environmental Protection Agency of the ~~primary enforcement responsibility for Class II type underground injection~~ activity in Alaska. The added responsibility stems from Chapter 91 SLA 1984.

During the last half of FY '86 and unquestionably continuing through FY '87, a dramatic drop in drilling activity occurred as a result of the crude price collapse. Well workover activity and increasing production from the Kuparuk, Lisburne and Endicott Pools have more than offset the decline in the drilling workload.

The major challenge facing the agency is the ability to maintain, in the face of loss of funds, a staff capable of ensuring industry compliance with regulatory and statutory law.

B2 BRU ISSUES

(6/86)-b2

AGENCY Department of Commerce and
Economic Development
BRU Oil and Gas Conservation

FY 88

Page 1 of 1

Revised Date:

000249

ACTION NARRATIVE

TAPE #29, SIDE ONE
Number 000

The House Resources Committee meeting is called to order at 8:30 a.m. by Chairman Cotten. Members present are Cotten, Springer, Sund, Hoffman, and Navarre.

Number 008

Chat Chatterton, Chairman of the Oil and Gas Conservation Commission, testifies via teleconference in support of HB 124. Mr. Chatterton summarizes the legislative history of Alaska's oil and gas conservation tax. Chapter 40 of the Session Laws of 1955 established the Oil and Gas Conservation Commission and provided for a tax of five mills, half a cent, for each barrel of oil and for each unit of 50,000 cubic feet of gas produced and sold in the State. The Act also established a special fund known as the oil and gas conservation fund.

Number 026

Mr. Chatterton, quoting from Chapter 40: All monies in the oil and gas conservation fund are appropriated to the Alaska Oil and Gas Conservation Commission. No such monies shall revert to the general fund at the end of any fiscal period but shall remain in the oil and gas conservation fund to cover future operating expenses of the Commission. All monies hereby appropriated shall be expended under the direction of the Commission in accordance with statutes of this Territory.

Number 035

Mr. Chatterton states that at that time the Chairman of the Commission was the Territorial Governor. Following statehood, the fund and tax sections of Chapter 40 became AS 31.05.130 and AS 31.05.140. The oil and gas conservation fund was one of several dedicated funds grandfathered in as an exception to the State Constitution. Some of the special funds, such as the oil and gas conservation fund, were memorialized by Chapter 5 of the Session Laws of 1968, AS 37.05.155.

The oil and gas conservation fund and the five mill tax rate remained unchanged from 1955 until repealed effective July 1, 1970 by section 2, Chapter 246, Session Laws of Alaska 1970. Chapter 32 of the Session Laws of Alaska for 1971 repealed AS 37.05.155(a)(3), which was the oil and gas

conservation fund account. Mr. Chatterton stated that the balance in the account at that time probably reverted to the general fund.

Number 060

Mr. Chatterton: The next step in this history is that Chapter 5 of the first special session of 1973 enacted AS 43.57, known as the oil and gas regulation and conservation act and effective January 1, 1974. That Act levied a tax of one eighth of a cent, 1.25 mills, per barrel of oil produced and no tax upon gas produced. Proceeds went into the general fund because of the Constitutional requirement.

Number 071

Chat Chatterton: House Bill 124 proposes to amend AS 43.57, the oil and gas regulation and conservation tax, to provide revenue for offsetting the funds appropriated for the operation of the Commission. Unamended receipts from the oil and gas regulatory and conservation tax would approximate \$750,000 for FY'88. With passage of HB 124, the revenues would approximate two and a half million dollars. As is the case in several of the oil-producing states, we would like for the tax proceeds to go to a dedicated fund for oil and gas conservation purposes. We are told that the Legislature cannot rescind their 1970 repealer action to keep alive the grandfathered dedicated fund; and Constitutional law closes the door on enacting a new dedicated fund.

8:45 a.m. Representative Shultz arrives.

Number 087

Mr. Chatterton: We view the intent of the amendments as set forth in HB 124 as one of providing funding to offset Commission activities. Should your Committee share this view, may we suggest greater emphasis of this intent by either accompanying the bill with a letter of legislative intent as to why the funds are being asked for, or maybe prepare a committee substitute for HB 124.

Number 098

NO
Mr. Chatterton: I will try and give you a suggestion. I am looking at HB 124 and in particular line 21 of that bill which starts with (c) and it reads, proceeds from the tax must be paid into the, and I would like to insert new verbiage there, oil and gas conservation account within the general fund. Then on line 20 through 2 and line 23, delete the underlined verbiage.

Number 110

Mr. Chatterton suggests that a section 2 be added to the bill which would read: AS 37.05.155(a) is amended by adding a subsection (7), Oil and Gas Conservation Fund, and in AS 43.57.010(c), on line 24, proposes section 2 to be renumbered as section 3.

Number 131

Chairman Cotten: What happens if there is more money than the Commission needs?

Mr. Chatterton: The way I look at it is it's focusing on the fact that the Commission in effect is paying it's own way and hopefully with this number there will be more than the Commission needs. It's all in the general fund. It's got to just roll over and the Legislature obviously will have to appropriate for it as they do right now for our activity. You can't hold it and carry it over from year to year like we used to, I'm sure of that.

Chairman Cotten: There's a special fund now in the general fund for the railbelt energy account, and in order for the Legislature to use that money it takes a special appropriation from that fund. I know that the Governor is about to introduce a bill that would do something like that, so my guess is that it would have to be a special appropriation from the account that you're referring to should the Legislature wish to remove any excess funds from that account.

Number 148

Mr. Chatterton: That could be. As you know, Mr. Chairman, our BRU is about one and a half million dollars for FY'88.

Number 152

Chairman Cotten states that it looks like the bill would raise about two and a half million dollars and that the Commission uses about one and a half, so there would be an excess million dollars. Mr. Chatterton states that when they first started pushing for this type of legislation in 1983, their budget was about two and a half million dollars.

Number 161

Chairman Cotten: So in addition to your other suggestion, you're suggesting that perhaps the Oil and Gas Conservation Commission could stand to be beefed up a little bit.

Mr. Chatterton: I don't think we have that need at the present time, but I would like the funding there should the need ever arise and the Legislature concurs.

Number 168

Chairman Cotten: What sort of circumstances do you foresee that might require that need to arise?

Mr. Chatterton: Increased activity, the development of some of the new fields such as Seal Island.

Number 172

Chairman Cotten notes that Royce Weller is here from the Department of Revenue, if members have questions for Mr. Weller.

Number 178

Chairman Cotten suggests that HB 124 be moved to the Finance Committee. Representative Sund asks about looking at some of Mr. Chatterton's amendments. Chairman Cotten states that he thinks that's more of a question for the Finance Committee than for the Resources Committee; that the Chairman of the Commission's suggestion for a special account in the general fund is probably more appropriately decided in the Finance Committee.

Number 195

Representative Sund moves to pass HB 124 with individual recommendations. There are no objections. HB 124 passes.

Number 209

The House Committee on Natural Resources is adjourned at 8:57 a.m. by Chairman Cotten.



Official Business

Alaska State Legislature

House of Representatives

Committee on Rules

P. O. Box V
Juneau, Alaska 99811

Phone:
(907) 465-3764
465-3765

10:00 a.m. Floor Session

"66th LEGISLATIVE DAY"

HOUSE CALENDAR FOR WEDNESDAY - MARCH 25th, 1987

SECOND READING OF HOUSE BILLS

HB 124 - "An Act relating to the oil and gas conservation tax;
and providing for an effective date."

(Rules by Request of the Governor)

SECOND READING OF HOUSE RESOLUTIONS

HJR 19 - Relating to resident hire on federal projects in the
state.

(Representative Donley)

HJR 22 - Relating to an agreement between the Department of
Defense and the Alaska Department of Labor for
enforcement of Alaskan hire requirements of sec. 8078
of the 1986 Defense Appropriations Act, and
subsequent acts; and urging the Congress to extend
the resident hire provision through fiscal year 1988.

(Representative Boyer)

C I T A T I O N S

*IN MEMORIAM:

*Thane Curry - by Sens. Fischer, Szymanski; Reps. Navarre, Hudson

HOUSE CALENDAR:

HOUSE JOURNAL FEBRUARY 11, 1987

HB 124

HOUSE BILL NO. 124 by the Rules Committee by request of the Governor, entitled:

"An Act relating to the oil and gas conservation tax; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

A fiscal note was published February 11, 1987.

The Governor's transmittal letter, dated February 10, 1987, appears below:

"Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas conservation tax.

The primary purpose of the bill is to adjust the existing oil and gas conservation tax in AS 43.57.010 to provide enough additional revenue to the state to cover the amount of the operating costs of the Alaska Oil and Gas Conservation Commission ("commission"). An oil and gas

conservation tax is included in most of the conservation Acts of the 30 oil and gas producing states. The tax would be in the amount of four mills per barrel of crude oil and 50,000 cubic feet of natural gas. Proceeds from the tax would be placed in the general fund. The commission has calculated that approximately \$2,680,000 would be collected annually if this bill were enacted.

The concept of a tax related to oil and gas conservation activities is not new to the state. Section 15, ch. 40, SLA 1955, which created the commission, provided funding by levying a tax on the gross amount of oil and gas produced. The tax rate was then five mills per barrel of oil and per 50,000 cubic feet of natural gas. After statehood, sec. 15 became AS 31.05.130 and 31.05.140.

The original tax was repealed effective July 1, 1970, by ch. 247, SLA 1970.

Effective July 1, 1974, AS 43.57.010, the Oil and Gas Regulation and Conservation Tax, was enacted. Sec. 1, ch. 5, FSSLA 1973. This tax is still in effect. It assesses a tax of 1.25 mills (one-eighth of one cent) per barrel of oil, a 75 percent reduction from the amount of the conservation tax levied up to July 1, 1970. The amount of revenue generated by this tax is not even equal to the operating costs of the commission, and may be perceived by the oil and gas industry

LEGISLATIVE REPORTING SERVICE

Oil & Gas Conservation Tax (adjusting) HOUSE BILL NO. 124, by the Rules Committee by Request of the Governor. Relates to the oil and gas conservation tax (see accompanying letter).

Introduced February 11 and referred to Resources; Finance

In his message accompanying the bill, Governor Cowper stated:

Under the authority of art. III, sec. 13, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas conservation tax.

page 175

The primary purpose of the bill is to adjust the existing oil and gas conservation tax in AS 43.57.010 to provide enough additional revenue to the state to cover the amount of the operating costs of the Alaska Oil and Gas Conservation Commission ("commission"). An oil and gas

conservation tax is included in most of the conservation Acts of the 30 oil and gas producing states. The tax would be in the amount of four mills per barrel of crude oil and 50,000 cubic feet of natural gas. Proceeds from the tax would be placed in the general fund. The commission has calculated that approximately \$2,680,000 would be collected annually if this bill were enacted.

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Oil & Gas Conservation Tax (adjusting) HOUSE BILL NO. 124, (see page 175). Reported back to the House March 4 by Resources recommending it do pass. Concurring: Cotten (Chair), Sund, Hoffman, Navarre, Davidson. Not concurring: Springer, Shultz. To Finance.

Oil & Gas Conservation Tax (adjusting) HOUSE BILL NO. 124, (see pages 175;298). Reported back to the House March 20 by Finance recommending it do pass. Concurring: Adams (Chair), Goll, Boyer, Swackhammer, Davis, Brown. Not concurring: Pourchot, Frank, Larson and Rieger had no recommendation. To Rules.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill version: HB 124
Publish Date: 2/11/87

51

REQUEST

Bill/Resolution No.: 773-87-0074
Title: An Act relating to the Oil and Gas Conservation Tax
Sponsor: rules
Requestor: governor
Date of Request: _____

FISCAL DETAIL

Agency Affected: Oil & Gas Conservation Com.
BRU: _____
Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE		2402.8	2212.9	1927.5	1684.9	1373.0
---------	--	--------	--------	--------	--------	--------

Loss by AS 43.57 repeal 745.2 685.9 590.7 520.9 402.0
FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary
Based on November '86 production record, Prudhoe Oil Pool and Kuparak Oil Pool initiating a production decline rate of 15% starting July 1, 1987; Lisbourne Oil Pool on stream July 1, 1987 at 100,000 b/d; and Endicott Oil Pool on stream July 1, 1986 at 100,000 b/d.

Prepared by: Chat Chatterton *Chat Chatterton/bb* Phone: 279-1433
Division: _____ Date: _____

Approved by Commissioner: *[Signature]* Date: 11/24/86
Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

(4)

HJR 19

HOUSE JOINT RESOLUTION NO. 19 by Donley, Gruenberg, Boyer, Hoffman, Koponen, Springer and Grussendorf:

Relating to resident hire on federal projects in the state.

was read the first time and referred to the Labor & Commerce and Judiciary Committees.

HOUSE JOURNAL FEBRUARY 27, 1987

HJR 19

Representative Menard added his name as co-sponsor to:

HOUSE JOINT RESOLUTION NO. 19

Relating to resident hire on federal projects in the state.

HOUSE JOURNAL MARCH 6, 1987

HJR 19

The Labor & Commerce Committee has considered:

HOUSE JOINT RESOLUTION NO. 19

Relating to resident hire on federal projects in the state.

and recommends it be replaced with:

COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION
NO. 19 (L&C)
(same title)

Recommending do pass (5): Donley (Chairman), Ellis, Menard, Boucher, Koponen

No recommendation (1): Furnace

A zero fiscal note was published March 6, 1987.

HJR 19 was referred to the Judiciary Committee.

HOUSE JOURNAL MARCH 11, 1987

HJR 19

Representative Swackhammer added his name as co-sponsor to:

HOUSE JOINT RESOLUTION NO. 19

Relating to resident hire on federal projects in the state.

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/6/87

FURTHER REFERRALS:

3/25

Rules

DATE: 3-23-87

The Judicial Committee has considered HJR 19

Relating to resident hire on federal projects in the state.

RECOMMENDS:

- replace with CS HJR 19 (L+C) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 3/6/87
- zero with analysis

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

[Signature] NO REC

[Signature] to be

Chairman's signature

LEGISLATIVE REPORTING SERVICE

Resident Hire
(on federal
projects)

HOUSE JOINT RESOLUTION NO. 19, by Reps. Donley, Gruenberg, Boyer, Hoffman, Koponen, Springer and Grussendorf. Requests members of the Alaska delegation in Congress to introduce and seek the passage of federal legislation giving an employment preference to unemployed qualified state residents on all construction projects in the state that are wholly or partially funded with federal funds.

Introduced February 20 and referred to Labor & Commerce; Judiciary.

Resident Hire
(on federal
projects)

HOUSE JOINT RESOLUTION NO. 19, (see pages 221;254). Reported back to the House March 6 by Labor & Commerce recommending it be replaced with a substitute and that it do pass. Concurring: Donley (Chair), Ellis, Menard, Boucher, Koponen. Not concurring: Furnace had no recommendation. To Judiciary.

The L&C substitute adds several new "whereas clauses" relating to unemployment in the state. Adds a new "resolve clause" that encourages the federal government to hire as many state residents as possible and practicable for federal positions located in the state, including temporary and seasonal positions. Expands list of persons to whom the resolution will be sent to include the President, Secretarys of Commerce, Defense, Interior and Labor. Also adds John Katz, Director of State/Federal Relations, Office of the Governor.

BSN: 143

ALASKA HOUSE OF REPRESENTATIVES
HB 124

1ST SESSION 15TH LEG

3/26/87 10:58 AM

		32	YEAS	8	NAYS	0	EXC	0	ABS		
Y	ADAMS	Y			DONLEY	Y			<u>HUDSON</u>	Y	FOURCHOT
(N)	BARNES	Y			ELLIS	Y			KOPONEN	Y	<u>RIEGER</u>
Y	BOUCHER	Y			FRANK	Y			LARSON	Y	<u>SHULTZ</u>
Y	BOYER	Y			<u>FURNACE</u>	(N)			MARTIN	Y	SPRINGER
Y	BROWN	Y			GOLL	(N)			MENARD	Y	SUND
Y	CATO	Y			GRUENBERG	Y			MILLER	Y	SWACKHAMMER
(N)	COLLINS	Y			GRUSSENDORF	Y			NAVARRE	Y	<u>TAYLOR</u>
Y	COTTEN	(N)			HANLEY	Y			<u>PEARCE</u>	Y	ULMER
Y	DAVIDSON	Y			HERRMANN	(N)			PETTYJOHN	Y	WALLIS
Y	DAVIS	Y			HOFFMAN	(N)			PHILLIPS	(N)	ZAWACKI

+ VOTED FOR

* CHANGED VOTE

Samuel
Cotton

1 This bill conforms with this administrator's policy of having the industry that is being regulated pay the cost of the regulator.

2 The O & G Commission is an independent quasi-judicial agency ^{1st established in 1955} whose responsibilities include ensuring that O & G drilling, production, reservoir depletion and metering operations

comply with the ~~the~~ O & G Conservation Act.

3 The ~~budgets~~ ^{operating expenses} for the commission have been substantially less than the \$ provided from the conservation tax & this bill would reverse that situation.

3

The original tax in 1955 was 5 mills and was a dedicated fund. The legislature repealed the ~~the~~ dedicated fund & as a result it is no longer ~~repealable~~. A option The dedicated aspect

6

I feel this legislation is ^a insult for the & appropriate manner of ^{proving} ~~paying~~ the costs of this very important mission.

4

Repeals in 70

This TAX admits (24)

ered:
ent of criminal fines
h:
HOUSE BILL NO. 106
Chairman), Ulmer, Navarre,
Barnes (signed "we need
ns.")
zero fiscal notes with
1987.
Committee.

HB 122

and recommends it be replaced with:

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 122
(Judiciary)
(same title)

Recommending do pass (2): Sund (Chairman), Ulmer

Recommending do not pass (1): Taylor

No recommendation (3): Cotten, Navarre, Barnes

Other recommendations (1): Gruenberg (signed "do not pass
unless amended to allow compromise in certain cases -
particularly certain divorce cases as per Judiciary
Committee 'Gruenberg amendment #3'")

The same zero fiscal note published February 11, 1987,
applies to CSHB 122(Jud).

HB 122 was referred to the Finance Committee.

s considered:
farming; and providing
h:
SE BILL NO. 108 (L&C)
(signed "with full public
"), Menard (signed "with
hairman), Furnace, Koponen,
fiscal note were published
ces Committee.

HB 124

The Resources Committee has considered:

HOUSE BILL NO. 124
"An Act relating to the oil and gas conservation
tax; and providing for an effective date."

Recommending do pass (5): Cotten (Chairman), Sund, Hoffman,
Navarre, Davidson

No recommendation (2): Springer, Shultz

HB 124 was referred to the Finance Committee.

ered:
thority to compromise

HB 142

The State Affairs Committee has considered:

HOUSE BILL NO. 142
"An Act relating to wages and benefits for certain
legislative employees; and providing for an
effective date."

Recommending do pass (7): Ulmer (Chairman), Davidson,
Donley, Menard, Martin, Boucher, Hoffman

A fiscal note, a zero fiscal note and a zero fiscal note
with analysis were published March 4, 1987.

A letter of intent, signed by Ulmer (Chairman), appears
below:

BRU NARRATIVE

OIL & GAS CONSERVATION

THE ALASKA OIL & GAS CONSERVATION COMMISSION IS AN INDEPENDENT QUASI-JUDICIAL AGENCY ESTABLISHED WITHIN THE EXECUTIVE BRANCH BY THE LEGISLATURE TO ENSURE THAT OIL & GAS DRILLING, PRODUCTION, RESEVOIR DEPLETION & METERING OPERATIONS CONDUCTED ON LANDS SUBJECT TO THE STATE'S POLICE POWERS ARE IN COMPLIANCE WITH THE ALASKA OIL & GAS CONSERVATION ACT (AS 31.05).

THE ACT PROHIBITS THE PHYSICAL WASTE OF CRUDE OIL & NATURAL GAS, PROTECTS THE CORRELATIVE RIGHTS OF OWNERS WITH OIL & GAS RIGHTS, & PROVIDES FOR THE MAXIMUM ULTIMATE RECOVERY OF OIL & GAS THAT IS PRUDENTLY FEASIBLE. THE COMMISSION IS EMPOWERED TO CITE & LEVY FINES FOR VIOLATIONS OF THE ACT, REGULATION OR ORDER OF THE COMMISSION, & SEEK INJUNCTIVE RELIEF TO PREVENT CONTINUANCE OF A VIOLATION.

SEVERANCE & OIL & GAS REGULATION TAXES ARE LEVIED ON PRODUCTION. REVENUE ACCRUES FROM ROYALTY PRODUCTION ON STATE LEASES. THE PREVENTION OF WASTE ENHANCES THESE INCOME SOURCES & SERVES THE PUBLIC GOOD BY PROVIDING INCREASED FUNDING TO MEET THE PUBLIC NEEDS.

06-08-13-05-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTION

PROGRAM: REAL ESTATE COMMISSION
SUB-PROGRAM: DATA AND WORD PROCESSING

LEG. FIN.

***** FY87 REV ANALYSIS *****

STATE OF ALASKA -- BUDGET UNIT SUMMARY

SALSFRMA 11:23 1/29/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT PROGRAM: OIL & GAS CONSERVATION
CATEGORY: PUBLIC PROTECTION

LEG. FIN.

COMPONENT DESCRIPTION	FY87 ATH	FY87 REV	TRANSFER	DECRMTS	INCRMNTS	GOVERNOR	HOUSE	SENATE	C. C.	BILLS
OPERATIONS	1776.6	1518.2	-32.8			1485.4				
DATA AND WORD PROCESSING	104.5	95.7	-4.4			95.3				
** TOTAL	1881.1	1613.9	-33.2			1580.7				
** CHANGE VERSUS FY87 ATH				-100.0%	-100.0%	-100.0%	-15.9%	-100.0%	-100.0%	
OBJECT DESCRIPTION										
PERS. SERV.	1521.4	1362.4	-33.2			1329.2				
TRAVEL	158.7	98.0				98.0				
CONTRACTUAL	173.9	135.4				135.4				
COMMODITIES	21.7	18.1				18.1				
EQUIPMENT	5.4									
FUNDING SUMMARY										
FED. RECEIPT	100.0	100.0				100.0				
GENERAL FUND	1781.1	1513.9	-33.2			1480.7				
** GENERAL FUND CHANGE VS. FY87 ATH				-100.0%	-100.0%	-100.0%	-16.8%	-100.0%	-100.0%	
POSITIONS										
FULL TIME	25.0	25.0				25.0				
STAFF MONTHS	300.0	273.0				273.0				

06-08-14-06-00 (08-46-2-50-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTIONPROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: OPERATIONS

LEG. FIN.

EXPENDITURES & FUNDING	F I S C A L Y E A R 1 9 8 8												
	(01) FY86 ACT	(02) FY87 ATH	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(07)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	1487.8	1442.4	1283.4	-32.8				1250.6					
02 TRAVEL	104.1	158.7	98.0				98.0						
03 CONTRACTUAL	132.2	150.9	120.4				120.4						
04 COMMODITIES	17.6	19.2	16.4				16.4						
05 EQUIPMENT	5.7	5.4											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1747.4	1776.6	1518.2	-32.8			1485.4						
09 I-A TRANSFER	10.3	13.7	13.7				13.7						
1002 FED RCPTS		100.0	100.0				100.0						
1004 GEN FUND	1747.4	1676.6	1418.2	-32.8			1385.4						
15 FULL TIME	25.0	24.0	24.0				24.0						
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	300.0	288.0	261.0				261.0						

06-08-14-06-00 (08-46-2-50-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
 CATEGORY: PUBLIC PROTECTION

PROGRAM: OIL & GAS CONSERVATION
 SUB-PROGRAM: OPERATIONS

LEG. FIN.

***** FY87 REV ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$1,518.2) VERSUS FY87 ATH (\$1,776.6)
01 PERS. SERV.	-159.0	-11.0%	REDUCE STAFF MONTHS BY HOLDING VACANT A PFT SENIOR PETROLEUM GEOLOGIST FOR SIX MONTHS, A PFT SENIOR PETROLEUM ENGINEER FOR SIX MONTHS, A PFT PETROLEUM INSPECTOR FOR SIX MONTHS, AND A PFT PETROLEUM CARTOGRAPHER FOR NINE MONTHS <\$159.0>.
02 TRAVEL	-60.7	-38.2%	REDUCE TRAVEL, PRIMARILY FOR FIELD INSPECTIONS <\$60.7>.
03 CONTRACTUAL	-30.5	-20.2%	REDUCE CONTRACTUAL SERVICES <\$30.5>.
04 COMMODITIES	-2.8	-14.6%	REDUCE SUPPLIES <\$2.8>.
05 EQUIPMENT	-5.4	-100.0%	DELETE FUNDING FOR REPLACEMENT EQUIPMENT <\$5.4>.
** TOTALS	-258.4	-14.5%	

***** GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) *****

TOTAL	GEN_FUND	OTH_FUND	PFT	PPT	DESC
-33.2	-33.2	0.0	0.0	0.0	TRANSFER TO RIP BRU #2130
0.4	0.4	0.0	0.0	0.0	TRANSFER FROM OIL & GAS COM DP #2131
0.0	0.0	0.0	0.0	0.0	IOCC INCREASE IN ANNUAL ASSESSMENT #2132

06-08-14-07-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTIONPROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: DATA AND WORD PROCESSING

LEG. FIN.

----- F I S C A L Y E A R 1 9 8 8 -----

EXPENDITURES & FUNDING	(01) FY86 ACT	(02) FY87 ATH	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(07)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	78.1	79.0	79.0	-.4				78.6					
02 TRAVEL													
03 CONTRACTUAL	15.1	23.0	15.0					15.0					
04 COMMODITIES	2.4	2.5	1.7					1.7					
05 EQUIPMENT	3.3												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	98.9	104.5	95.7	-.4				95.3					
09 I-A TRANSFER													
1004 GEN FUND	98.9	104.5	95.7	-.4				95.3					
15 FULL TIME	1.0	1.0	1.0					1.0					
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS	12.0	12.0	12.0					12.0					

BRU NARRATIVE

ALASKA POWER AUTHORITY

THE LEGISLATURE ESTABLISHED THE ALASKA POWER AUTHORITY AS A PUBLIC CORPORATION IN 1976 (AS 44.56.030) & HAS AMENDED & EXPANDED THE AGENCY'S FUNCTIONS THROUGH SUBSEQUENT LEGISLATION. IN MEETING ITS LEGISLATIVE MANDATES, THE POWER AUTHORITY IDENTIFIES, EVALUATES, DEVELOPS, & OPERATES ELECTRICAL POWER PRODUCTION FACILITIES THROUGHOUT ALASKA, UTILIZING THE MOST APPROPRIATE TECHNOLOGY, EXCEPT NUCLEAR GENERATION, FROM AMONG THOSE THAT ARE COMMERCIALY AVAILABLE.

IN FULFILLING THIS MANDATE, THE POWER AUTHORITY IS AUTHORIZED TO CONDUCT RECONNAISSANCE & FEASIBILITY STUDIES, ISSUE BONDS, ADMINISTER LOANS & OTHER GRANT PROGRAMS, DESIGN, CONSTRUCT & OPERATE POWER PROJECTS, & ENTER INTO CONTRACTS FOR POWER SALES. THE EXTENT OF THE POWER AUTHORITY'S INVOLVEMENT IN ANY PROJECT DEPENDS ON LOCAL NEEDS, RESOURCES & PREFERENCES, PROJECT DEMANDS, & STATE BUDGET PRIORITIES.

AMONG THE PROGRAMS ADMINISTERED BY THE POWER AUTHORITY ARE THE ENERGY PROGRAM FOR ALASKA, THE RURAL ELECTRIFICATION PROGRAM, THE WASTE HEAT RECOVERY PROGRAM, THE POWER PROJECT LOAN FUND, THE POWER COST EQUALIZATION PROGRAM & THE RURAL ELECTRIFICATION REVOLVING LOAN FUND.

06-08-14-07-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 16:09 1/28/87

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT
CATEGORY: PUBLIC PROTECTION

PROGRAM: OIL & GAS CONSERVATION
SUB-PROGRAM: DATA AND WORD PROCESSING

LEG. FIN.

***** FY87 REV ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$95.7) VERSUS FY87 ATH (\$104.5)
03 CONTRACTUAL	-8.0	-34.8%	REDUCE PROFESSIONAL SERVICES <\$1.5>, AND REPAIR AND MAINTENANCE CONTRACTS <\$6.5>.
04 COMMODITIES	-0.8	-32.0%	REDUCE DATA PROCESSING SUPPLIES <\$0.8>.
** TOTALS	-8.8	-8.4%	

***** GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) *****

TOTAL	GEN_FUND	OTH_FUND	PFT	PPT	DESC
-0.4	-0.4	0.0	0.0	0 0	TRANSFER TO OIL & GAS CONS COM OPERATIONS \$2140

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 10, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the oil and gas conservation tax.

The primary purpose of the bill is to adjust the existing oil and gas conservation tax in AS 43.57.010 to provide enough additional revenue to the state to cover the amount of the operating costs of the Alaska Oil and Gas Conservation Commission ("commission"). An oil and gas conservation tax is included in most of the conservation Acts of the 30 oil and gas producing states. The tax would be in the amount of four mills per barrel of crude oil and 50,000 cubic feet of natural gas. Proceeds from the tax would be placed in the general fund. The commission has calculated that approximately \$2,680,000 would be collected annually if this bill were enacted.

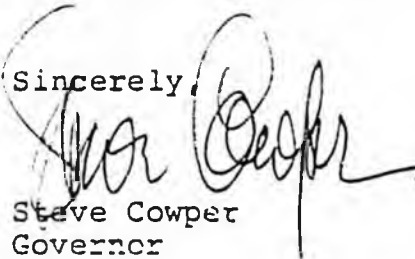
The concept of a tax related to oil and gas conservation activities is not new to the state. Section 15, ch. 40, SLA 1955, which created the commission, provided funding by levying a tax on the gross amount of oil and gas produced. The tax rate was then five mills per barrel of oil and per 50,000 cubic feet of natural gas. After statehood, sec. 15 became AS 31.05.130 and 31.05.140.

The original tax was repealed effective July 1, 1970, by ch. 247, SLA 1970.

Effective July 1, 1974, AS 43.57.010, the Oil and Gas Regulation and Conservation Tax, was enacted. Sec. 1, ch. 5, FSSLA 1973. This tax is still in effect. It assesses a tax of 1.25 mills (one-eighth of one cent) per barrel of oil, a 75 percent reduction from the amount of the conservation tax levied up to July 1, 1970. The amount of revenue generated

by this tax is not even equal to the operating costs of the commission, and may be perceived by the oil and gas industry as little more than a "nuisance tax." As described earlier, the tax in AS 43.57.010 would be adjusted to include a tax on production of natural gas, and to increase the amount of the tax.

Sincerely,



Steve Cowper
Governor

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB 124

Publish Date: _____

Revision Date: _____
Title: "An Act relating to the Oil and Gas Conservation Tax."

Agency Affected: Oil & Gas Cons. Comm.

BRU: _____

Sponsor: Rules

Components: _____

Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE		1,657.6	1,527.0	1,330.8	1,164.0	910.8
----------------	--	---------	---------	---------	---------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Based on November 1986 production record, Prudhoe Oil Pool and Kuparuk Oil Pool initiating a production decline rate of 15% starting July 1, 1987; Lisbourne Oil Pool on stream July 1, 1987 at 100,000 b/d; and Endicott Oil Pool on stream July 1, 1988 at 100,000 b/d.

Prepared by: Chat Chatterton Phone: 279-1433
Division: Oil & Gas Conservation Committee Date: 2/15/87

Approved by Commissioner: J. Anthony Smith Date: 2/18/87
Agency: Department of Commerce and Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impact Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE FISCAL NOTE

REQUEST _____

Bill Version: HB 124
 Publication Date: _____

Revision Date: 2/17/87
 Title: Relating to the Oil and Gas Conservation Tax
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Revenue
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	408	1561	1501	1391	1341	1241

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

This bill would increase the conservation tax on oil production from 1.25 mills per barrel to 4.0 mills per barrel. At the same time a conservation tax would be levied on natural gas production at the rate of 4.0 mills for every 50,000 cubic feet. This proposed change would increase State revenues by approximately \$1.5 million per year. This analysis assumes an effective date of March 1, 1987.

Prepared By: Charles L. Logsdon *Charles L. Logsdon* Phone: 276-5364
 Division: Research/Revenue Date: 2/17/87

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: _____
 Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

HB

138



Produces 30% of TBT-based paints -

Manufactured

Devoe Marine Coatings Co.

4000 Dupont Circle
Louisville, Kentucky
40207



Division of Growth Group, Inc.

March 17, 1987

Senate Office of Research
1100 J Street
Suite 650
Sacramento, California 95814

Attention: Ms. Mary Morgan

Subject: TBT-Free Anti-foulings

Dear Ms. Morgan:

I appreciated your time today to discuss the TBT issue and the availability of viable, proven and economical alternatives. Per your request, the following are TBT free anti-foulings manufactured by Devoe Marine Coatings Co.:

Devran 214 - A high performance anti-fouling based on cuprous oxide which provides up to two years protection under normal fouling conditions.

Devran 216 - An economical high performance anti-fouling based on cuprous oxide providing a long service life in normal fouling waters.

Devran 223 - A high performance controlled low ablation anti-fouling based on cuprous oxide which will provide up to two years protection in severe fouling environments.

ABC #3 - An ablative (self-polishing) high performance anti-fouling based on cuprous oxide which will provide five years + anti-fouling protection when the proper dry film thickness is applied. The ablative mechanism prevents the attachment of fouling organisms and creates a smoothing action which reduces the drag resistance of the vessel. This product is utilized where long life fouling protection in severe service is required. It provides anti-fouling properties in both the stationary and dynamic states.

Ms. Mary Morgan
Senate Office of Research
Page 2
March 17, 1987

As we discussed over the telephone, it is our belief that nearly all of the major marine coatings manufacturers possess a complete line of tin free anti-fouling. With respect to the copolymer or ablative technology which represents the extreme end of the high performance spectrum, there are several manufacturers marketing tin free products. Therefore, it is apparent that the claims made by the "pro tin interests" concerning the lack of viable alternatives to TBT are completely unfounded.

Should you require any additional information or wish our advice concerning this important issue, please feel free to contact the undersigned.

Very truly yours,

DEVOE MARINE COATINGS CO.

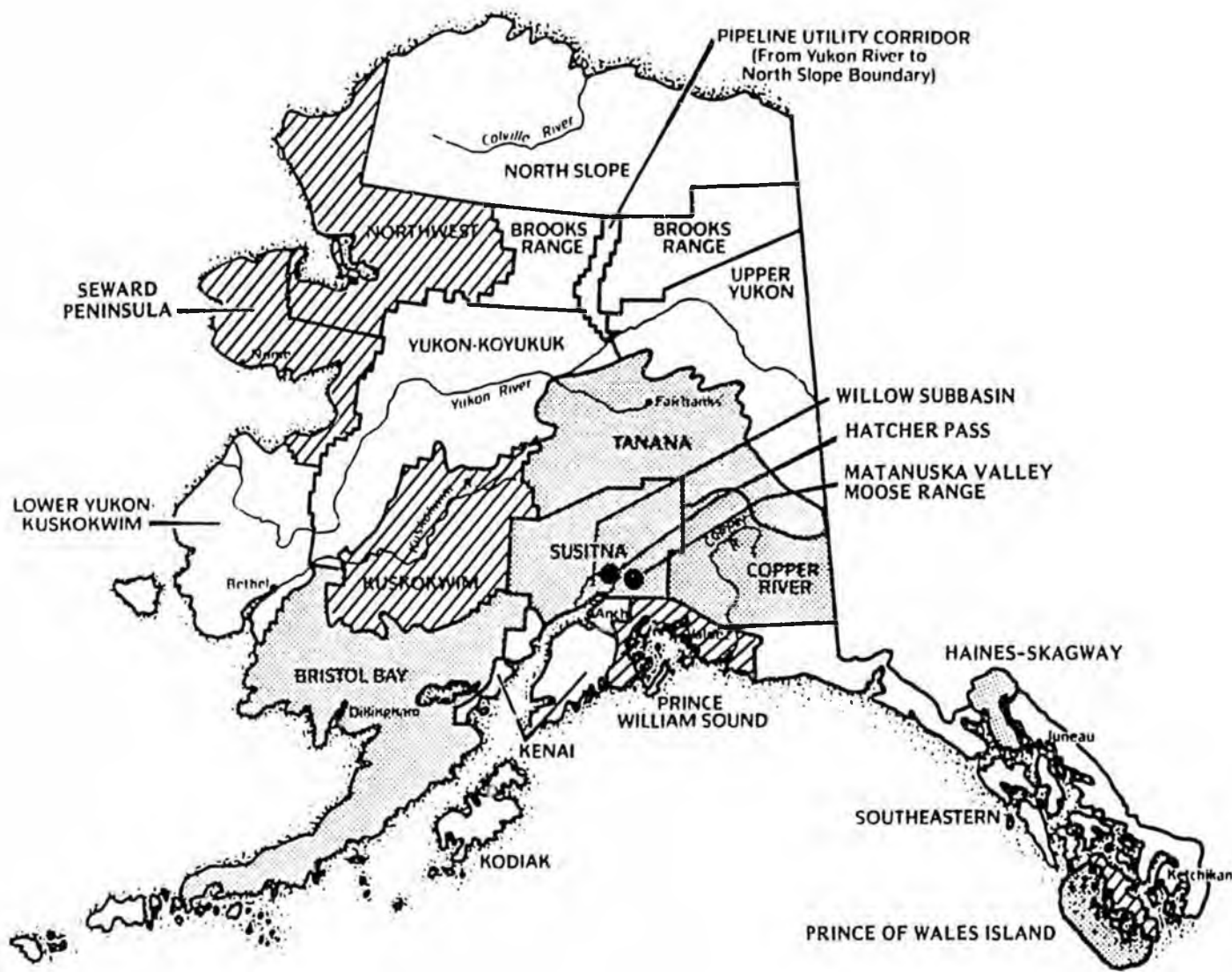


Robert H. Osmer
Vice President

RHO:lr

Alaska Department of Natural Resources

AREA PLANS



AREA PLANNING STATUS

- Completed area plans
- Area plans in progress
- Not scheduled for area planning

FEBRUARY 1987



Why Do Area Plans?

The planning process is a way of settling differences, it is a way of deciding how to manage and use state lands. There are many different ideas on how state lands should be used, and sometimes these proposed uses have the potential to conflict with each other. However, with advance planning, many potentially conflicting uses can occur in the same area. Through the planning process, the people of the state can help choose the ways the lands should be managed. The plans also make it clear to the public what choices have been made and the reasons for those choices.

The Planning Process

Public Identifies Issues - Public meetings are held to learn of local problems, interests, and concerns about state lands.

Gather Information - Information about natural resources (oil and gas, minerals, fish, forests, soils, etc.), existing land uses and ownership, and economic and social characteristics is gathered, mapped, and analyzed.

Prepare Plan Alternatives - Different land use plans are developed using public comments, resource information, and state policy.

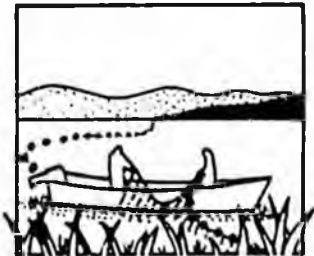
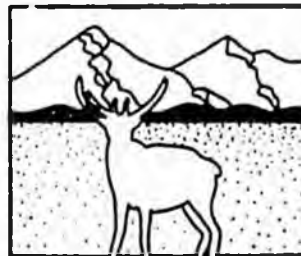
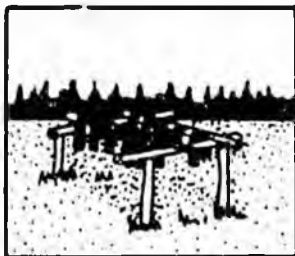
Public Reviews Alternatives - Public meetings are held to review alternatives.

Prepare Draft Plan for State Lands - Public comments are reviewed, conflicts are resolved, a preferred alternative is selected, and a draft plan is written.

Public Reviews Draft Plan - Public hearings are held on the draft plan.

Prepare Final Plan - Changes to the draft plan are made based on public comments. Final plan recommendations are developed.

Adopt and Implement the Plan - The Commissioner of the Department of Natural Resources adopts the final plan. The plan guides the state's land management decisions.



Status of Area Plans

Bristol Bay. Adopted in September, 1984. Covers 13 million acres of state-owned and state-selected land. Copies are available at DNR Information Offices and have been sent to state depository libraries.

Copper River Basin. Adopted in November, 1986. Covers 3.3 million acres of state-owned and state-selected land. Copies are available at DNR Information Offices and have been sent to state depository libraries.

Haines/Skagway. Adopted in June, 1979. Covers 400,000 acres of state-owned or state-selected land. Superseded by the Alaska Chilkat Bald Eagle Preserve Management Plan (September, 1985) and the Haines State Forest Management Plan (February, 1986). Copies of all three plans are available at DNR Information Offices and have been sent to state depository libraries.

Kuskokwim Basin. This plan is for 16.6 million acres of state-owned or state-selected land. Alternatives have been developed and will be discussed at public meetings in late March and early April, 1987. A plan will be drafted during the spring and summer, reviewed at public meetings in the fall of 1987, and adopted by February, 1988. The plan will address such issues as land offerings, oil and gas development, mining, coal development, fish and wildlife habitat, and recreation. Special emphasis will be placed on preserving access to state lands.

Northwest. This plan is for 10 million acres of state-owned or state-selected lands in the Bering Straits region, the Northwest Arctic Borough, and the far western segment of the North Slope Borough. Alternative land use patterns have been developed and will be discussed at public meetings in late March and early April, 1987. The plan will be drafted during the spring and summer, reviewed at public meetings in the fall of 1987, and adopted in February, 1988. Subsistence is an important use of resources in the Northwest. Other issues of importance are access to state land, reindeer grazing, land offerings, trapping cabins, oil and gas development, and mining.

Prince of Wales Island. An area plan covering the southwestern part of the island was adopted in June, 1985. The remainder of the island is the subject of an ongoing plan. This plan is for 30,000 acres of state-owned or state-selected uplands and about one million acres of adjacent tidelands and submerged lands. Alternative management schemes will be discussed at public meetings in the spring of 1987. A draft plan will be distributed in the fall of 1987, with adoption of the final plan anticipated in March, 1988. The plan will address such issues as land offerings, log transfer and storage facilities, floating camps, floathomes, sea-farming, and state selections from the Tongass National Forest.

Prince William Sound. This plan is for 850,000 acres of state-owned or state-selected uplands and most of the tidelands and submerged lands in Prince William Sound. A plan will be drafted by June, 1987, discussed at public meetings in the fall, and adopted by December, 1987. The plan will address such issues as land offerings, the location of commercial and public recreation facilities, floathomes, aquaculture, sea-farming, state selections from the Chugach National Forest, mooring areas, and access to the beach, lakes, streams, and important hunting and fishing areas.

Susitna. Adopted in April, 1985. Covers 9.5 million acres of state-owned and state-selected land. Copies are available at DNR Information Offices and have been sent to state depository libraries.

Tanana Basin. Adopted in April, 1985. Covers 12.5 million acres of state-owned and state-selected land. Copies are available at DNR Information Offices and have been sent to state depository libraries.

For more information on area plans, contact:

**Dept. of Natural Resources
Land and Water Mgt.
Resource Allocation Section
P.O. Box 7-005
Anchorage, Alaska 99510
(907) 561-2020**

Rep Sund
NEVETTE - 5 pgs.

SENATE OF MARYLAND

71r1540

No. 499

M1
CF 71r1545

By: Senators Winegrad, Fowler, and Garrott
Introduced and read first time: February 6, 1987
Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 Antifouling Paints - Regulation

3 FOR the purpose of prohibiting certain persons from distributing,
4 possessing, selling, offering for sale, using, or offering
5 for use any antifouling paints containing tributyltin;
6 providing certain exceptions; defining certain items;
7 allowing certain persons to distribute, sell, possess, and
8 apply certain antifouling paints under certain conditions;
9 providing for the scope and application of this Act;
10 requiring the State Secretary of Agriculture to adopt
11 certain regulations before a certain date; providing for
12 seizures and penalties under this Act; requiring the
13 Department of Health and Mental Hygiene to develop certain
14 standards and regulate certain items in this Act; requiring
15 the Department of Natural Resources to develop a certain
16 program by a certain date in coordination and consultation
17 with certain groups; requiring certain publications under
18 this Act; providing for certain effective dates for certain
19 provisions of this Act; and generally relating to the
20 regulation of the distribution, possession, sale, offering
21 for sale, use, and offering for use of antifouling paints
22 containing tributyltin.

23 BY adding to

24 Article - Agriculture
25 Section 14-101 through 14-106, inclusive, to be under the
26 new title "Title 14. Antifouling Paints"
27 Annotated Code of Maryland
28 (1985 Replacement Volume and 1986 Supplement)

29 BY adding to

30 Article - Health - Environmental
31 Section 11-501 and 11-502 to be under the new subtitle
32 "Subtitle 5. Antifouling Paints"
33 Annotated Code of Maryland
34 (1982 Replacement Volume and 1986 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.

1 (C) THE DEPARTMENT SHALL DEVELOP THE EDUCATIONAL PROGRAM
2 UNDER SUBSECTION (A) OF THIS SECTION AND THE MATERIALS USED IN
3 THE PROGRAM IN COORDINATION WITH THE STATE DEPARTMENT OF
4 AGRICULTURE AND IN CONSULTATION WITH THE MARINE TRADES AND WITH
5 REPRESENTATIVES OF THE BOATING PUBLIC.

6 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of
7 this Act shall take effect December 1, 1987.

8 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of
9 this Act shall take effect June 1, 1987.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of
2 Maryland read as follows:

3 Article - Health - Environmental

4 SUBTITLE 5. ANTIFOULING PAINTS

5 11-501.

6 (A) THE DEFINITIONS IN § 14-101 OF THE AGRICULTURE ARTICLE
7 APPLY IN THIS SUBTITLE.

8 (B) ALSO, IN THIS SUBTITLE, "WATER QUALITY STANDARD" HAS
9 THE SAME MEANING AS PROVIDED IN COMAR 10.50.01.

10 11-502.

11 THE DEPARTMENT SHALL:

12 (1) DEVELOP BY DECEMBER 1, 1987 A WATER QUALITY
13 STANDARD FOR THE CONCENTRATION OF TRIBUTYLTIN IN THE WATERS OF
14 THE STATE THAT IS SUFFICIENT FOR THE PROTECTION OF AQUATIC LIFE;
15 AND

16 (2) REGULATE POINT SOURCES OF RELEASE OF TRIBUTYLTIN
17 IN ACCORDANCE WITH THE WATER QUALITY STANDARD DEVELOPED UNDER
18 ITEM (1) OF THIS SECTION.

19 Article - Natural Resources

20 8-703.1.

21 (A) THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT BY AUGUST 1,
22 1987 AN EDUCATIONAL PROGRAM TO ADVISE BOATERS, BOATYARDS, MARINE
23 SUPPLIERS, AND OTHER USERS OF ANTIFOULING PAINTS ON:

24 (1) THE PROVISIONS OF TITLE 14 OF THE AGRICULTURE
25 ARTICLE, TITLE 11, SUBTITLE 5 OF THE HEALTH - ENVIRONMENTAL
26 ARTICLE, AND THIS SECTION;

27 (2) THE TOXIC PROPENSITIES TO MARINE LIFE OF
28 ANTIFOULING PAINTS CONTAINING TRIBUTYLTIN COMPOUNDS; AND

29 (3) THE AVAILABILITY OF SUBSTITUTE PAINTS.

30 (B) THE DEPARTMENT SHALL:

31 (1) PUBLISH FOR USE BY THE PUBLIC A DETAILED LISTING
32 OF ANTIFOULING PAINTS IN USE IN THE STATE THAT CONTAIN
33 TRIBUTYLTIN AND THOSE THAT DO NOT; AND

34 (2) PUBLISH, TO THE EXTENT POSSIBLE, WHICH
35 ANTIFOULING PAINTS CONTAINING TRIBUTYLTIN HAVE ACCEPTABLE RELEASE
36 RATES, AS DEFINED IN § 14-101 OF THE AGRICULTURE ARTICLE.

1 OFFER FOR USE ANY ANTIFOULING PAINT CONTAINING A TRIBUTYL TIN
2 COMPOUND.

3 (B) (1) A PERSON MAY DISTRIBUTE OR SELL AN ANTIFOULING
4 PAINT CONTAINING A TRIBUTYL TIN COMPOUND WITH AN ACCEPTABLE
5 RELEASE RATE TO THE OWNER OR AGENT OF A COMMERCIAL BOATYARD.

6 (2) THE OWNER OR AGENT OF A COMMERCIAL BOATYARD MAY
7 POSSESS AND APPLY OF PURCHASE FOR APPLICATION AN ANTIFOULING
8 PAINT CONTAINING TRIBUTYL TIN WITH AN ACCEPTABLE RELEASE RATE, IF
9 THE ANTIFOULING PAINT:

10 (I) IS APPLIED ONLY WITHIN A COMMERCIAL
11 BOATYARD; AND

12 (II) IS APPLIED ONLY TO VESSELS EXCEEDING 25
13 METERS IN LENGTH OR THAT HAVE ALUMINUM HULLS.

14 (C) THIS SECTION DOES NOT PROHIBIT THE SALE, USE,
15 DISTRIBUTION, OR POSSESSION OF AN ANTIFOULING PAINT CONTAINING A
16 TRIBUTYL TIN COMPOUND, IF THE ANTIFOULING PAINT:

17 (1) IS IN A SPRAY CAN OF 16 OUNCES OR LESS;

18 (2) IS COMMONLY REFERRED TO AS AN OUTBOARD OR LOWER
19 DRIVE UNIT PAINT; AND

20 (3) HAS AN ACCEPTABLE RELEASE RATE,

21 14-103.

22 THIS TITLE DOES NOT INFRINGE ON INTERSTATE COMMERCE, AND
23 OUT-OF-STATE VESSELS THAT HAVE AN ANTIFOULING PAINT CONTAINING A
24 TRIBUTYL TIN COMPOUND IN EXCESS OF AN ACCEPTABLE RELEASE RATE MAY
25 TRAVEL AND DOCK IN STATE WATERS.

26 14-104.

27 THE SECRETARY SHALL ADOPT REGULATIONS BEFORE SEPTEMBER 15,
28 1987 TO CARRY OUT THE PROVISIONS OF THIS TITLE.

29 14-105.

30 (A) THE DEPARTMENT MAY SEIZE ANY ANTIFOULING PAINT THAT IS
31 HELD FOR SALE OR DISTRIBUTION, USED, OR POSSESSED IN VIOLATION OF
32 THIS TITLE.

33 (B) ANY ANTIFOULING PAINT SEIZED BY THE DEPARTMENT UNDER
34 THIS SECTION IS DEEMED FORFEITED TO THE STATE.

35 14-106.

36 A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY
37 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
38 EXCEEDING \$2,500.

1 BY adding ()

2 Article - Natural Resources
3 Section 8-703.1
4 Annotated Code of Maryland
5 (1983 Replacement Volume and 1986 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That the Laws of Maryland read as follows:

8 Article - Agriculture

9 TITLE 14. ANTIFOULING PAINTS

10 14-101.

11 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (B) "ACCEPTABLE RELEASE RATE" MEANS A MEASURED RELEASE RATE
14 EQUAL TO OR LESS THAN 1.0 MICROGRAM PER SQUARE CENTIMETER PER DAY
15 AT STEADY STATE CONDITIONS DETERMINED IN ACCORDANCE WITH THE U.S.
16 ENVIRONMENTAL PROTECTION AGENCY TESTING PROCEDURE, AS OUTLINED IN
17 THE AGENCY'S CALL-IN NOTICE OF JULY 29, 1986 ON TRIBUTYL TIN IN
18 ANTIFOULING PAINTS UNDER THE FEDERAL INSECTICIDE, FUNGICIDE, AND
19 RODENTICIDE ACT.

20 (C) "ANTIFOULING PAINT" MEANS A COMPOUND, COATING, PAINT,
21 OR TREATMENT APPLIED OR USED FOR THE PURPOSE OF CONTROLLING
22 FRESHWATER OR MARINE FOULING ORGANISMS ON VESSELS.

23 (D) "COMMERCIAL BOATYARD" MEANS:

24 (1) A FACILITY THAT ENGAGES FOR HIRE IN THE
25 CONSTRUCTION, STORAGE, MAINTENANCE, REPAIR, OR REFURBISHING OF
26 VESSELS; OR

27 (2) AN INDEPENDENT MARINE MAINTENANCE CONTRACTOR WHO
28 ENGAGES IN ANY OF THE ACTIVITIES UNDER PARAGRAPH (1) OF THIS
29 SUBSECTION.

30 (E) "TRIBUTYL TIN COMPOUND" MEANS ANY ORGANOTIN COMPOUND
31 THAT HAS 3 NORMAL BUTYL GROUPS ATTACHED TO A TIN ATOM AND WITH OR
32 WITHOUT AN ANION, SUCH AS CHLORIDE, FLUORIDE, OR OXIDE.

33 (F) (1) "VESSEL" MEANS A WATERCRAFT OR OTHER CONTRIVANCE
34 USED AS A MEANS OF TRANSPORTATION ON WATER, WHETHER
35 SELF-PROPELLED OR OTHERWISE.

36 (2) "VESSEL" INCLUDES BARGES AND TUGS.

37 14-102.

38 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A
39 PERSON MAY NOT DISTRIBUTE, POSSESS, SELL, OFFER FOR SALE, USE, OR

101
Rules

(9)

Date referred: 3/25/87

FURTHER REFERRALS:

DATE: _____

The Resources Committee has considered SB 131 am

"An Act regulating the sale and use of TBT-based marine antifouling paints and coatings; and providing for an effective date."

RECOMMENDS:

- replace with NCS SB 131 (Rec) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Adelheid Herrmann
Mike Savage
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
DAVIDSON

SIGNING OTHER RECOMMENDATIONS:

Adelheid Herrmann
 Chairman's signature

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HCS SB131 (Resour)
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: An Act Regulating to the sale and use of TBT-based marine anti-fouling paints & coatings
Sponsor: Senator Zharoff
Requestor: Senator Zharoff

Agency Affected: Environmental Conservation
BRU: Environmental Health
Components: Sanitation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	10.7	10.7	5.3	5.3	5.3
TRAVEL	-0-	1.4	1.4	1.0	1.0	1.0
CONTRACTUAL	-0-	2.0	2.0	1.0	1.0	1.0
SUPPLIES	-0-	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	-0-	0.8	0.8	0.5	0.5	0.5
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	15.9	15.9	8.8	8.8	8.8

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	15.9	15.9	8.8	8.8	8.8
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	15.9	15.9	8.8	8.8	8.8

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary) This fiscal note assumes that the department will only monitor the sale of TBT. This will entail on-site inspection and monitoring of wholesale and retail outlets. It will also involve the investigation and preparation of appropriate enforcement actions. SEE ATTACHED

Prepared by: Doug Donegan Phone: 465-2600
Division: Environmental Health Date: 3-6-87

Approved by Commissioner: [Signature] Date: 3/6/87
Agency: Environmental Conservation

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Adopted for HCSSB131 (Resour)

[Signature]



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

Representative Adelheid Herrmann, co-Chair - 465-4942 *ad*
Representative Sam Cotten, co-Chair - 465-3715 *sc*

Committee Schedule March 23 - 27, 1987

Monday, March 23, 1987

8:30 - 10:00 a.m., Capitol 124

ADF&G: Brief Presentation regarding ANWR

- * HB 149 "An Act relating to certain oil terminal operators; and providing for an effective date."

Tuesday, March 24, 1987

8:30 - 10:00 a.m., Capitol 124

TELECONFERENCE - LISTEN ONLY

- * HB 108 "An Act relating to aquatic farming; and providing for an effective date."

Wednesday, March 25, 1987

8:30 - 10:00 a.m., Capitol 124

TELECONFERENCE - LISTEN ONLY

- HB 108 "An Act relating to aquatic farming; and providing for an effective date."

Thursday, March 26, 1987

8:00 - 10:00 a.m., Capitol 124

8:00 a.m.

- * HB 118 "An Act relating to decisions on right-of-way lease applications."

8:30 a.m.

TELECONFERENCE - LISTEN ONLY

- HB 108 "An Act relating to aquatic farming; and providing for an effective date."



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

Friday, March 27, 1987
9:30 - 10:00 a.m., Capitol 124

HB 138 "An Act regulating the sale and use of
TBT-based marine antifouling paints and
coatings; and providing for an effective
date."

* HJR 23 Relating to tributyltin.

PENDING TRANSMITTAL:

SB 131 "An Act regulating the sale and use of
TBT-based marine antifouling paints and
coatings; and providing for an effective
date."

A M E N D M E N T

Offered in the SENATE

By Zharoff

TO: SB 131

Page 2, line 3:

Delete all material and insert:

"(1) "TBT-based marine antifouling paint or coating" means a paint, coating, or treatment that contains tributyltin, or a triorganotin compound used as a substitute for tributyltin, and that is intended to control fouling organisms in a fresh water or marine environment;"

1 IN THE SENATE

BY ZHAROFF, ELIASON, JOSEPHSON,
SZYMANSKI, KERTTULA, DUNCAN,
UEHLING AND STURGULEWSKI

2

SENATE BILL NO. 131 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act regulating the sale and use of TBT-based
7 marine antifouling paints and coatings; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 46.03 is amended by adding a new section to read:

11 Sec. 46.03.715. SALE AND USE OF TBT-BASED ANTIFOULING PAINT.

12 (a) Except as otherwise provided in this section, a person may not
13 sell or use TBT-based marine antifouling paint or coating in the
14 state, nor may a person sell, rent, or lease in the state, or import
15 into the state, or use in state water, a vessel, fishing gear, or
16 other item intended to be immersed or submerged in water, if the
17 vessel, gear, or item has been painted or treated with TBT-based
18 marine antifouling paint or coating.

19 (b) TBT-based marine antifouling paint or coating need not be
20 removed from fishing gear, or from a vessel or other item that was
21 painted or treated before July 1, 1987, but the vessel, gear, or item
22 may not be repainted or retreated with TBT-based marine antifouling
23 paint or coating. Fish culture or capture nets treated with TBT-based
24 marine antifouling coating before July 1, 1987, may not be used in
25 state water on or after July 1, 1992.

26 (c) This section does not apply to

- 27 (1) a vessel of the United States government;
28 (2) a foreign vessel temporarily in state water;
29 (3) a vessel of 5,000 gross tons or more; or

1 (4) a passenger vessel of 3,000 gross tons or more.

2 (d) In this section

3 (1) "TBT-based marine antifouling paint or coating" means a
4 paint, coating, or treatment that contains tributyltin, or a
5 tri-organotin compound used as a substitute for tributyltin, and that
6 is intended to control fouling organisms in the fresh water or marine
7 environment;

8 (2) "vessel" means watercraft used or capable of being used
9 as a means of transportation on water, including aircraft equipped to
10 land on water.

11 * Sec. 2. This Act takes effect July 1, 1987.

1 IN THE SENATE

BY ZHAROFF, ELIASON, JOSEPHSON,
SZYMANSKI, KERTTULA AND DUNCAN

2

SENATE BILL NO. 131

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act regulating the sale and use of TBT-based

7

marine antifouling paints and coatings; and providing

8

for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

* Section 1. AS 46.03 is amended by adding a new section to read:

11

Sec. 46.03.715. SALE AND USE OF TBT-BASED ANTIFOULING PAINT.

12

(a) Except as otherwise provided in this section, a person may not

13

sell or use TBT-based marine antifouling paint or coating in the

14

state, nor may a person sell, rent, or lease in the state, or import

15

into the state, or use in state water, a vessel, fishing gear, or

16

other item intended to be immersed or submerged in water, if the

17

vessel, gear, or item has been painted or treated with TBT-based

18

marine antifouling paint or coating.

19

(b) TBT-based marine antifouling paint or coating need not be

20

removed from fishing gear, or from a vessel or other item that was

21

painted or treated before July 1, 1987, but the vessel, gear, or item

22

may not be repainted or retreated with TBT-based marine antifouling

23

paint or coating. Fish culture or capture nets treated with TBT-based

24

marine antifouling coating before July 1, 1987, may not be used in

25

state water on or after July 1, 1992.

26

(c) This section does not apply to

27

(1) a vessel of the United States government;

28

(2) a foreign vessel temporarily in state water;

29

(3) a vessel of 5,000 gross tons or more; or

1 (4) a passenger vessel of 3,000 gross tons or more.

2 (d) In this section

3 (1) "TBT-based" means tributyltin-based;

4 (2) "vessel" means watercraft used or capable of being used
5 as a means of transportation on water, including aircraft equipped to
6 land on water.

7 * Sec. 2. This Act takes effect July 1, 1987.

Original sponsors: Sund, Herrmann,
Koponen, et al.

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 138 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act regulating the sale and use of TBT-based
7 marine antifouling paints and coatings; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 16.05.450(b) is amended to read:

11 New provision (b) The Commercial Fisheries Entry Commission shall issue a
12 for vessel vessel license under AS 16.05.490 to each qualified vessel for which a
13 applic- vessel license under AS 16.05.490 to each qualified vessel for which a
14 ants written application has been filed, at a place in the state designated
15 to sign by the commission. An application shall contain a statement by the
16 state- applicant that the vessel has not been painted in violation of AS 46.-
17 ment 03.715. An application shall contain other [, CONTAINING THE] reason-
18 that applic- able information required by the commission together with the required
19 ants aren't fee. The application shall be simple in form and shall be executed by
20 using TBT the applicant under the penalty of perjury.

21 * Sec. 2. AS 46.03 is amended by adding a new section to read:

22 Sec. 46.03.715. SALE AND USE OF TBT-BASED ANTIFOULING PAINT.

23 (a) Except as otherwise provided in this section, a person may not
24 sell or use TBT-based marine antifouling paint or coating in the
25 state, nor may a person sell, rent, or lease in the state, or import
26 into the state, or use in state water, a vessel, fishing gear, or
27 other item intended to be immersed or submerged in water, if the
28 vessel, gear, or item has been painted or treated with TBT-based
29 marine antifouling paint or coating.

(b) TBT-based marine antifouling paint or coating need not be

1 removed from fishing gear, or from a vessel or other item that was
2 painted or treated before December 1, 1987, but the vessel, gear, or
3 item may not be repainted or retreated with TBT-based marine antifoul-
4 ing paint or coating. Fish culture or capture nets treated with
5 TBT-based marine antifouling coating before December 1, 1987, may not
6 be used in state water on or after December 1, 1992.

Change
from
July 1,
1992

7 (c) Notwithstanding other provisions of this section, slow-
8 leaching TBT-based marine antifouling paint may be imported into and
9 sold in the state. A slow-leaching TBT-based marine antifouling paint
10 may be applied in the state only to aluminum vessel hulls. Aluminum
11 vessel hulls to which a slow-leaching TBT-based marine antifouling
12 paint has been applied may be imported into and sold, rented, leased,
13 or used in the state.

Allow-
ing
slow-
leach-
ing
TBT
for
Alum-
inum
hulls.

14 (d) This section does not apply to

- 15 (1) a vessel of the United States government;
16 (2) a foreign vessel temporarily in state water; or
17 (3) a vessel of 4,000 gross tons or more.

Change from 3,000
for passenger
vessels & 5,000
for all
others.

18 (e) In this section

19 (1) "slow-leaching TBT-based marine antifouling paint"

Define
slow-
leach-
ing

20 means a TBT-based marine antifouling paint, but not a coating or other
21 treatment, that has a measured release rate equal to or less than 1.0
22 microgram per square centimeter per day at steady state conditions
23 determined under the U.S. Environmental Protection Agency testing
24 procedure, as outlined in the agency's call-in notice of July 29,
25 1986, on tributyltin in antifouling paints under 7 U.S.C. 35 - 36
26 (the Federal Insecticide, Fungicide, and Rodenticide Act);

Define
TBT
(Same
as Sen.
amend.)

27 (2) "TBT-based marine antifouling paint or coating" means a
28 paint, coating, or treatment that contains tributyltin, or a tri-
29 organotin compound used as a substitute for tributyltin, and that is

1 intended to control fouling organisms in a fresh water or marine
2 environment;

3 (3) "vessel" means watercraft used or capable of being used
4 as a means of transportation on water, including aircraft equipped to
5 Include barges. land on water and barges.

6 Change* Sec. 3. This Act takes effect December 1, 1987.
7 from
8 July 1.

POSITION PAPER

Bill No: HB 138

Date: February 26, 1987
Contact: Amy D. Kyle

Title: An Act regulating the role and use of TBT-based marine anti-fouling paints and coatings.

Department's Position

The Department supports the intent of the bill to prohibit sale and use of TBT-based paints and coatings. The Department is prepared to enforce a prohibition on the sale of the coatings.

Bill Analysis


The bill would prohibit the sale and use of TBT-based anti-fouling paint. Such coatings have been shown to release TBT into waters. TBT is a harmful and toxic substance. DEC supports the ban on introduction of the substance into waters of the state. (Since 1985, DEC has prohibited use of TBT as an anti-fouling agents in hatcheries, through conditions placed on state certifications of federal permits for hatcheries.)

The bill does not propose a specific role for any agency in enforcing a ban on sale or use of TBT-based coatings. Rather, the bill establishes general prohibitions.

Effect on the Agency

DEC understands that it is the intent of the bill's sponsors primarily to prohibit the sale of TBT in the state. DEC can play an active role in enforcing this prohibition through notification to retail outlets and marketplace inspections to confirm that the ban is complied with. TBT is a pesticide under the federal pesticide laws. The ban would be imposed and enforced as an extension of the state's pesticide program. A fiscal note for resources needed to enforce this aspect of the bill is being prepared.

The Department understands that the bill's sponsors do not intend that any additional activities be undertaken by DEC in response to the legislation in order to detect or take enforcement action under other provisions. In light of this understanding, no resources beyond those required to enforce the ban on sale are included in the fiscal note.


DENNIS D. KELSO
COMMISSIONER

A M E N D M E N T

Offered in the HOUSE

By Sund

TO: CSHB 138 (Resources)

Page 1, after line 19:

Insert a new bill section to read:

"* Sec. 2. AS 46.03.020 is amended by adding a new paragraph to read:

(13) inspect the premises of sellers and suppliers of paint, vessels, and marine and boating supplies, and take other actions necessary to enforce AS 46.03.715."

Renumber remaining bill sections accordingly.

Page 1, line 26:

Delete "immersed or"

Insert "partially or completely"

Page 3, line 4, after "including":

Delete all material through line 5

Insert "(A) aircraft equipped to land on water; and

(B) barges."

A M E N D M E N T

Offered in the HOUSE

By Sund

TO: CSHB 138 (Resources)

Page 1, after line 19:

Insert a new bill section to read:

"* Sec. 2. AS 46.03.020 is amended by adding a new paragraph to read:

(13) inspect the premises of sellers and suppliers of paint, vessels, and marine and boating supplies, and take other actions necessary to enforce AS 46.03.715."

Renumber remaining bill sections accordingly.

Page 1, line 26:

Delete "immersed or"

Insert "partially or completely"

Page 3, line 4, after "including":

Delete all material through line 5

Insert "(A) aircraft equipped to land on water; and

(B) barges."

Note: Highlights indicate changes from the
3/9/87 House Resources CS for HB 138

Original sponsors: Zharoff, Eliason,
Josephson, et al.

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 131 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act regulating the sale and use of TBT-based
7 marine antifouling paints and coatings; and providing
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 16.05.450(b) is amended to read:

11 (b) The Commercial Fisheries Entry Commission shall issue a
12 vessel license under AS 16.05.490 to each qualified vessel for which a
13 written application has been filed, at a place in the state designated
14 by the commission. An application shall contain a statement by the
15 applicant that the vessel has not been painted in violation of AS 46.-
16 03.715. An application shall contain other [, CONTAINING THE] reason-
17 able information required by the commission together with the required
18 fee. The application shall be simple in form and shall be executed by
19 the applicant under the penalty of perjury.

20 Amend-
ment *
made

21 to clarify
authority

20 * Sec. 2. AS 46.03.020 is amended by adding a new paragraph to read:

21 (13) inspect the premises of sellers and suppliers of paint,
22 vessels, and marine and boating supplies, and take other actions
23 necessary to enforce AS 46.03.715.

24 * Sec. 3. AS 46.03 is amended by adding a new section to read:

25 Sec. 46.03.715. SALE AND USE OF TBT-BASED ANTIFOULING PAINT.

26 (a) Except as otherwise provided in this section, a person may not
27 sell or use TBT-based marine antifouling paint or coating in the
28 state, nor may a person sell, rent, or lease in the state, or import
29 into the state, or use in state water, a vessel, fishing gear, or

New language to clarify
that even if an object is
only partially immersed
it can not be treated with
TBT.

1 other item intended to be partially or completely submerged in water,
2 if the vessel, gear, or item has been painted or treated with
3 TBT-based marine antifouling paint or coating.

4 (b) TBT-based marine antifouling paint or coating need not be
5 removed from fishing gear, or from a vessel or other item that was
6 painted or treated before December 1, 1987, but the vessel, gear, or
7 item may not be repainted or retreated with TBT-based marine antifoul-
8 ing paint or coating. Fish culture or capture nets treated with
9 TBT-based marine antifouling coating before December 1, 1987, may not
10 be used in state water on or after December 1, 1992.

11 (c) Notwithstanding other provisions of this section, slow-
12 leaching TBT-based marine antifouling paint may be imported into and
13 sold in the state. A slow-leaching TBT-based marine antifouling paint
14 may be applied in the state only to aluminum vessel hulls. Aluminum
15 vessel hu'ls to which a slow-leaching TBT-based marine antifouling
16 paint has been applied may be imported into and sold, rented, leased,
17 or used in the state.

18 (d) This section does not apply to

- 19 (1) a vessel of the United States government;
20 (2) a foreign vessel in state water fewer than 90 days in a
21 12-month period; or
22 (3) a vessel of 4,000 gross tons or more.

23 (e) In this section

24 (1) "slow-leaching TBT-based marine antifouling paint"
25 means a TBT-based marine antifouling paint, but not a coating or other
26 treatment, that has a measured release rate equal to or less than 1.0
27 microgram per square centimeter per day at steady state conditions
28 determined under the U.S. Environmental Protection Agency testing
29 procedure, as outlined in the agency's call-in notice of July 29,

1 1986, on tributyltin in antifouling paints under 7 U.S.C. 35 - 36y
2 (the Federal Insecticide, Fungicide, and Rodenticide Act);

3 (2) "TBT-based marine antifouling paint or coating" means a
4 paint, coating, or treatment that contains tributyltin, or a tri-
5 organotin compound used as a substitute for tributyltin, and that is
6 intended to control fouling organisms in a fresh water or marine
7 environment;

8 (3) "vessel" means watercraft used or capable of being used
9 as a means of transportation on water, including

10 Amendment made
11 to correct
12 grammar

- (A) aircraft equipped to land on water; and
- (B) barges.

13 Ban on further orders

14 * Sec. 4. Notwithstanding AS 46.03.715, as enacted by sec. 3 of this
15 Act, after the effective date of this section a person may not import into
16 the state a TBT-based marine antifouling paint or coating other than a
17 slow-leaching TBT-based marine antifouling paint, except that paint or
18 coatings that have been ordered from a source outside of the state before
19 the effective date of this section may be imported into the state before
20 December 1, 1987. Paint or coatings imported in violation of this section
21 may be confiscated by persons designated by the commissioner of environ-
22 mental conservation and shall be forfeited to the state.

23 New
24 eff. * Sec. 5. Sections 1 - 3 of this Act take effect December 1, 1987.

25 dates
26 for * Sec. 6. Section 4 of this Act takes effect immediately under AS 01.-
27 import clause
28 10.070(c).
29

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version : _____
Publish Date : _____

Revision Date: _____
Title: An Act Regulating to the sale and use of TBT-based marine anti-fouling paints & coatings
Sponsor: Senator Zharoff
Requestor: Senator Zharoff

Agency Affected: Environmental Conservation
BRU: Environmental Health
Components: Sanitation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	10.7	10.7	5.3	5.3	5.3
TRAVEL	-0-	1.4	1.4	1.0	1.0	1.0
CONTRACTUAL	-0-	2.0	2.0	1.0	1.0	1.0
SUPPLIES	-0-	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	-0-	0.8	0.8	0.5	0.5	0.5
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	15.9	15.9	8.8	8.8	8.8
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	15.9	15.9	8.8	8.8	8.8
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	15.9	15.9	8.8	8.8	8.8

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary) This fiscal note assumes that the department will only monitor the sale of TBT. This will entail on-site inspection and monitoring of wholesale and retail outlets. It will also involve the investigation and preparation of appropriate enforcement actions. SEE ATTACHED

Prepared by: Doug Donegan
Division: Environmental Health

Phone: 465-2600
Date: 3-6-87

Approved by Commissioner: *Ann O'Leary*
Agency: Environmental Conservation

Date: 3/6/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

ATTACHMENT

Based on a recent survey, there are approximately 1000 wholesale and retail distributors in the categories likely to be carrying paints and coatings. In FY 88 the Department will conduct a public information campaign directed at these types of outlets.

The Department will also inspect approximately 250 establishments/per year to monitor compliance with the law. This inspection rate will decline in FY 90 to 125 inspections/year.

THE FOLLOWING PAGES WERE TREATED AS
A UNIT IN THE ORIGINAL FILE.

HOUSE BILL 138
TBT

LIST OF BACK-UP MATERIALS

1. COPY OF BILL
2. SECTIONAL ANALYSIS
3. COPY OF PENALTY, INJUNCTION, AND LIABILITY PROVISIONS
4. OVERVIEW MEMO BY REPRESENTATIVES SUND AND HERRMANN
5. FACT SHEET - PACIFIC FISHERIES LEGISLATIVE TASK FORCE
6. AUKE BAY LAB RESEARCH
7. HEALTH EFFECTS
8. NEWS ARTICLES

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITAL
BUREAU ALASKA 99511
907-465-1800

2

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 12, 1987

SUBJECT: TBT-based antifouling paint
(Work Order No. 5-0470)

TO: Representative John Sund

FROM: Edward H. Hein *EH*
Legislative Counsel

Enclosed is a draft of a bill requested for you by your assistant, Nevette Bowen. Subsection (a) of the bill bans the sale and use of TBT-based (tributyltin-based) antifouling paint in the state. The bill also prohibits a person from importing into the state or selling, renting, or leasing in the state, or using in state water, any vessel or fishing gear or other item that is put into the water, if the vessel, gear, or item has already been treated with TBT paint.

Subsection (b) of the bill provides that persons who have already put TBT paint on their boats, gear, or other items before the bill becomes law do not have to remove the paint, but they may not reapply TBT paint. Fishing nets that have been treated may continue to be used for five years after the bill becomes law.

Subsection (c) exempts four classes of vessels from the TBT ban: (1) United States government vessels; (2) foreign vessels temporarily in state water; (3) vessels of 5,000 gross tons or more, which will cover commercial ships other than commercial fishing and processing vessels; and (4) passenger vessels of 3,000 gross tons, which will cover the vast majority of cruise ships. These exemptions are inserted to avoid running afoul of federal preemption, as to U.S. government vessels, and to avoid the practical problems of trying to prohibit TBT use on foreign vessels and on large commercial and cruise ships. Dr. Huggett said that 70 percent of TBT paint is used on recreational boats; 28 percent on commercial ships. He said that internationally 90

percent of ships of 5,000 gross tons or more use TBT-based paint.

Subsection (d) of the bill defines "TBT-based" and "vessel."

In order to ensure compliance with the ban on TBT use, a provision could be added to the bill amending AS 16.05.475 and 16.05.530 to require that a commercial fishing vessel license not be issued or renewed unless the applicant signs a statement, under penalty of perjury, that the applicant has complied with AS 46.03.715. A similar provision could be added to HB 94 to cover recreational boats. Barges, which may or may not be covered under the bill - depending on their weight, would have to be dealt with differently because they are not licensed or registered. The only exception is oil barges, which are regulated by DEC for pollution controls.

Another possible approach to the TBT problem that could be added to the bill would be a provision placing a surcharge or tax or additional docking fee on any vessel that docked in Alaska water with TBT-based paint on its hull. This surcharge could be set at a level designed to offset any environmental damage thought to be caused by the TBT leaching. This would obviate the need to haul people into court. There are at least two problems with this approach, however: (1) many of the docks in the state are privately owned; and (2) those that are publicly owned are locally owned, which means local governments, harbor masters, or port directors would have to collect the surcharge and send it into the state.

Note that the injunction, penalty, and liability provisions of AS 46.03.760, 46.03.765, 46.03.780, and 46.03.790 would apply to violations under this bill because the new statute is a part of AS 46.03.

EHH:mkr
m8/122

§ 46.03.758

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§ 46.03.760

WATER, AIR, ENERGY, ETC.

§ 46.03.760

(3) "discharge of oil" means the entry of oil into or upon the water or public land of the state (except oil discharges into an enclosed and impervious oil spill containment area), regardless of causation;

(4) "intertidal" means the ocean area between highest high water and lowest low water of tidal action;

(5) "offshore platform" means an offshore structure, whether floating or temporarily or permanently secured to the floor of the ocean or other water body, which is used primarily for the exploration for or production of oil or natural gas;

(6) "oil" means petroleum, crude oil, and any substance refined from petroleum or crude oil;

(7) "operator" means the person who, through contract, lease, sub-lease or otherwise, exerts general supervision and control of activities at the facility; the term includes, by way of example and not limitation, prime or general contractors, the master of a vessel (and his employer), or any other person who, through himself, his agents, or contractors, undertakes the general functioning of the facility;

(8) "vessel" means any form or manner of watercraft, whether or not capable of self-propulsion, except offshore platforms. (§ 1 ch 129 SLA 1977; am §§ 1-3 ch 128 SLA 1978; am § 110 ch 59 SLA 1982; am § 19 ch 59 SLA 1986)

Effect of amendments. — The 1986 amendment, effective June 1, 1986, repealed subsection (k), concerning the "oil spill mitigation account."

Editor's notes. — The schedule of civil

penalties required by (b) of this section may be found at 18 AAC 75.510 — 18 AAC 75.600. The effective date (referred to in (e) of this section) of the regulation adopting the schedules is April 19, 1978.

Sec. 46.03.760. Civil action for pollution; damages. (a) A person who violates or causes or permits to be violated a provision of this chapter other than AS 46.03.250 — 46.03.314, or a provision of AS 46.04 or AS 46.09, or a regulation, a lawful order of the department, or a permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under this chapter or AS 46.04 or AS 46.09 is liable, in a civil action, to the state for a sum to be assessed by the court of not less than \$500 nor more than \$100,000 for the initial violation, nor more than \$5,000 for each day after that on which the violation continues, and that shall reflect, when applicable,

(1) reasonable compensation in the nature of liquidated damages for any adverse environmental effects caused by the violation, that shall be determined by the court according to the toxicity, degradability and dispersal characteristics of the substance discharged, the sensitivity of the receiving environment, and the degree to which the discharge degrades existing environmental quality;

(2) reasonable costs incurred by the state in detection, investigation, and attempted correction of the violation;

(3) the economic savings realized by the person in not complying with the requirement for which a violation is charged.

(b) Except as determined by the court under (f)(4) of this section, actions under this section may not be used for punitive purposes, and sums assessed by the court must be compensatory and remedial in nature.

(c) The court, upon motion of the department or upon its own motion, may defer assessment of all or part of that portion of the sum imposed upon a person under (a)(3) of this section conditioned upon the person complying, within the shortest feasible time, with the requirement for which a violation is shown.

(d) As used in this section, "economic savings" means that sum which a person would be required to expend for the planning, acquisition, siting, construction, installation and operation of facilities necessary to effect compliance with the standard violated.

(e) In addition to liability under (a) — (d) of this section, a person who violates or causes or permits to be violated a provision of AS 46.03.740 — 46.03.750 is liable to the state, in a civil action brought under AS 46.03.822, for the full amount of actual damages caused to the state by the violation, including direct and indirect costs associated with the abatement, containment or removal of the pollutant, restoration of the environment to its former state, and all incidental administrative costs.

(f) A person who violates or causes or permits to be violated a provision of AS 46.03.250 — 46.03.314, or a regulation, a lawful order of the department, or a permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under AS 46.03.250 — 46.03.314 is liable, in a civil action, to the state for a sum to be assessed by the court of not less than \$500 nor more than \$100,000 for the initial violation, nor more than \$10,000 for each day after that on which the violation continues, and that shall reflect, when applicable,

(1) reasonable compensation in the nature of liquidated damages for any adverse environmental effects caused by the violation, that shall be determined by the court according to the toxicity, degradability and dispersal characteristics of the substance discharged, the sensitivity of the receiving environment, and the degree to which the discharge degrades existing environmental quality;

(2) reasonable costs incurred by the state in detection, investigation, and attempted correction of the violation;

(3) the economic savings realized by the person in not complying with the requirement for which a violation is charged; and

(4) the need for an enhanced civil penalty to deter future noncompliance. (§ 3 ch 120 SLA 1971; am § 9 ch 220 SLA 1976; am § 5 ch 266 SLA 1976; am §§ 5, 6 ch 116 SLA 1980; am §§ 5 — 7 ch 77 SLA 1984; am § 9 ch 59 SLA 1986)

§ 46.03.760

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§ 46.03.765

WATER, AIR, ENERGY, ETC.

§ 46.03.770

Effect of amendments. — The 1984 amendment substituted "other than AS 46.03.250 — 46.03.314, or a provision of" for "or" in the introductory language of subsection (a) and made a series of technical changes through the rest of this subsection, added "Except as determined by

the court under (f)(4) of this section" at the beginning of subsection (b), and added subsection (f).

The 1986 amendment, effective June 1, 1986, in the introductory language of subsection (a) inserted "or AS 46.09" in two places.

Sec. 46.03.765. Injunctions. The superior court has jurisdiction to enjoin a violation of this chapter, AS 46.04, or AS 46.09 or of a regulation, a lawful order of the department, or permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under this chapter, AS 46.04, or AS 46.09. In actions brought under this section, temporary or preliminary relief may be obtained upon a showing of an imminent threat of continued violation, and probable success on the merits, without the necessity of demonstrating physical irreparable harm. The balance of equities in actions under this section may affect the timing of compliance, but not the necessity of compliance with a reasonable period of time. (§ 10 ch 220 SLA 1976; am § 6 ch 266 SLA 1976; am § 7 ch 116 SLA 1980; am § 10 ch 59 SLA 1986)

Effect of amendments. — The 1986 amendment, effective June 1, 1986, in the first sentence inserted "or AS 46.09" in

two places and substituted a comma for "or" following "this chapter" in two places in the first sentence.

Sec. 46.03.770. Detention of vessel without warrant as security or damages. A vessel that is used in or in aid of a violation of AS 46.03.740 — 46.03.750 may be detained after a valid search by the department, an agent of the department, a peace officer of the state, or an authorized protection officer of the Department of Fish and Game. Upon judgment of the court having jurisdiction that the vessel was used in, or was the cause of, a violation of AS 46.03.740 — 46.03.750 with knowledge of its owner or under circumstances indicating that the owner should reasonably have had this knowledge, the vessel may be held as security for payment to the state of the amount of damages assessed by the court under AS 46.03.758, 46.03.760, and 46.03.822. If the damages assessed are not paid within 30 days after judgment or final determination of an appeal, the vessel shall be sold at public auction, or as otherwise directed by the court, and the damages paid from the proceeds. The balance, if any, shall be paid by the court to the owner of the vessel. The court shall permit the release of the vessel upon posting of a bond set by the court in an amount not to exceed the maximum amount of damages available under AS 46.03.753, 46.03.760, and 46.03.822. The damages received under this section shall be transmitted to the proper state officer for deposit in the general fund. A vessel seized under this section shall be returned or the bond exonerated if no damages are assessed under AS 46.03.758, 46.03.760, or 46.03.822. (§ 3 ch 120 SLA 1971; am § 1 ch 7 SLA 1986)

Effect of amendments. — The 1986 amendment, effective March 21, 1986, in the first sentence substituted "that" for "which," in the second sentence inserted "was" preceding "the cause of," substituted "AS 46.03.758, 46.03.760, and 46.03.822" for "AS 46.03.760(b)," made minor punctuation changes, and substituted "If" for "and if" in creating the

present third sentence, in the third sentence deleted "so" preceding "assessed," in the first sentence substituted the language beginning "the maximum amount" at the end of the sentence for "\$100,000," and in the last sentence substituted the present internal reference for "AS 46.03.760(b)."

Sec. 46.03.780. Liability for restoration. (a) A person who violates a provision of this chapter, AS 46.04, or AS 46.09, or who fails to perform a duty imposed by this chapter, AS 46.04, or AS 46.09, or violates or disregards an order, permit, or other determination of the department made under the provisions of this chapter, AS 46.04, or AS 46.09, respectively, and thereby causes the death of fish, animals, or vegetation or otherwise injures or degrades the environment of the state is liable to the state for damages.

(b) Liability for damages under (a) of this section includes an amount equal to the sum of money required to restock injured land or waters, to replenish a damaged or degraded resource, or to otherwise restore the environment of the state to its condition before the injury.

(c) Damages under (a) of this section shall be recovered by the attorney general on behalf of the state. (§ 3 ch 120 SLA 1971; am § 7 ch 266 SLA 1976; am § 111 ch 59 SLA 1982; am § 11 ch 59 SLA 1986)

Effect of amendments. — The 1986 amendment, effective June 1, 1986, in subsection (a) inserted "or AS 46.09," in

three places and substituted a comma for "or" following "this chapter" in three places.

Sec. 46.03.790. Criminal penalties. (a) Except as provided in (d) — (f) of this section, a person who negligently violates a provision of this chapter, AS 46.04, or AS 46.09, or of a regulation, lawful order of the department, or permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under this chapter, AS 46.04, or AS 46.09 is guilty of a class B misdemeanor.

(b) Except as provided in (d) — (f) of this section, a person who knowingly violates a provision of this chapter, AS 46.04, or AS 46.09, or of a regulation, lawful order of the department, or permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under this chapter, AS 46.04, or AS 46.09 is guilty of a class A misdemeanor.

(c) Each day on which a violation described in this section occurs is considered a separate violation.

(d) Notwithstanding (a) and (b) of this section, a person who fails to provide or falsely states information required under AS 46.03.755, AS 46.04, or AS 46.09 is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than \$25,000, or by imprisonment for

JOHN SUND, REPRESENTATIVE

2504 2nd Avenue
Ketchikan, Alaska 99901
(907) 225-5552

To: Members of the House of
Representatives

From: Representative Sund-
Representative Herrmann

Date: February 18, 1987

Subj: House Bill 138 "An Act regulating the sale and use of
TBT-based marine antifouling paints and coatings; and
providing for an effective date."

While in Juneau
P. O. Box V
Juneau, Alaska 99811
(907) 465-4919

As part of a multi-state effort, bills were introduced today
in the House and Senate to ban the sale and new application
of Tributyltins, a hazardous chemical found in marine
paints.

Tributyltin, commonly referred to as TBT, is a highly toxic
pesticide added to marine paint and coatings to prevent the
growth of barnacles and algae on vessel hulls, buoys and
fishing nets. It has caused fatalities and deformities in
marine life. Copper-based antifouling paints are available
as an alternative.

Bills to ban TBT were also introduced today in the Pacific
coastal states -- California, Washington and Oregon. The
effort was coordinated by the Pacific Fisheries Legislative
Task Force made up of legislators from Alaska, California,
Oregon and Idaho.

Research conducted at the National Marine Fisheries Service
Auke Bay Laboratory in Juneau was largely responsible for
calling attention to the TBT threat in Alaska and the
nation. Scientists there discovered that sufficient
accumulation of TBT can kill salmon, especially smolt.
Other studies have documented that TBT causes mortality and
deformities in crabs, oysters and other mollusks.

TBT is an extremely toxic substance, with potency in parts
per trillion. Twelve drops of TBT in an area the size of an
Olympic swimming pool will effectively kill marine organisms.

In October, the Pacific Coast Federation of Fisherman's
Associations called for a ban on the use of TBT stating they
"were willing to suffer the inconvenience of using other
bottom paints and hauling-out more often to prevent this
substance from entering the water and killing fish and
shellfish."

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The United States currently lags behind other nations in imposing controls on TBT. So far, the toxic compound has been limited or banned in France, England, Japan, Switzerland and Germany. The task force strategy is to support legislation banning TBT in the Pacific states while urging Congress to take national action.

Both Senate Bill 136 and House Bill 138 would ban the sale or use of TBT-based marine paint or coating in Alaska. Exemptions are included for large vessels outside the state's jurisdiction.